FORESIGHT

A PUBLICATION OF THE KENTUCKY LONG-TERM POLICY RESEARCH CENTER NO. 44 2005

The Competitive Edge: Creating a Human Capital Advantage for Kentucky

By Nancy Laprade

Unless the skills gap within the United States is closed and employers can find the workers they need, and job seekers have the skills to pursue the opportunities that will exist, then America's economy will remain vulnerable…The stakes are high: freedom of trade and commerce; personal and political liberty; and national and individual security.[1]

David Sampson, Deputy Secretary of the U.S. Commerce Department

Our nation and our Commonwealth face an unprecedented challenge: the need to prepare our youth and adults for competitive employment and continuous or lifelong learning. Historically, economic development professionals have promoted locations based largely on infrastructure benefits (roads, water, sewer, utility rates, tax policy, and incentives). However, the competitive advantage of today and tomorrow lies less and less in infrastructure, and more and more in the knowledge and skill of the workforce–the human capital advantage. "Place" is becoming increasingly less important to the way we work–intellectual work can be delivered from anywhere in the world. A recent survey by the Kentucky Chamber of Commerce of its members suggests that the greatest deterrent to business growth and economic development in Kentucky is a shortage of educated and skilled workers. In fact, according to Dave Adkisson, President and CEO, Kentucky Chamber of Commerce, "we are talking about our economic survival as a state and nation. Business, education, and government must work together as equal partners to find solutions to our workforce development challenges–and we must do it now."[2] Similarly, the U. S. Chamber of Commerce notes in its 2002 "Keeping Competitive" survey that "nearly three fourths of all respondents (73 percent) report[ed] either 'very' or 'somewhat' severe conditions when trying to hire qualified workers."[3] The National Association of Manufacturers concluded in *The Skills Gap 2001* that, "despite the slowing economy, 80 percent of manufacturers continued to experience a moderate to serious shortage of qualified candidates."[4] Futurist Ed Barlow of Creating the Future Inc. has observed in numerous appearances in Kentucky: "After national security, the second most critical issue facing the United States and Kentucky is that of a competitive workforce. Evidence is mounting daily that such competitiveness is being lost. This condition will affect our economic well-being and standard of living through the 21st century." This paper examines the broad trends affecting the economic environment, assesses how well Kentucky stacks up against them, and offers some recommendations about what the state can do to remain competitive in the future.

Ms. Laprade is the president of the Pawleys Group, a project management and consulting firm assisting businesses, not-for-profits, education, and government agencies with developing workforce and organizational solutions. Laprade was the executive director of the Kentucky Workforce Investment Board from 1999 to 2004.

Trends affecting the economy and workforce of the 21st century

Changing Demographics. We hear repeatedly about the aging of the workforce, the upcoming retirements of the baby boomer generation, and our need for increased reliance on ethnically diverse workers (immigrants). However, many businesses and policymakers have not grasped the full effect of these demographic changes, nor have they begun serious planning to address their implications. In Kentucky, the aging workforce issue is particularly acute for the coal, health care, and automotive manufacturing industries. For example, according to Mark Daugherty, Human Resources Manager for Toyota Motor Manufacturing, Kentucky, Inc., "At Toyota we anticipate a huge retirement bubble beginning in 2013, due both to demographic trends and our rapid build-up of personnel when we started production at the Georgetown plant in 1988. This impact will be felt in both skilled trades and production, and we are very concerned that we will not be able to find an adequate supply of people with the work ethic, interests, and skills we need. Our only option is to improve the quality of the available applicant pool."[5] Kentucky is a leader in "new manufacturing," but could easily lose its edge if we cannot train a skilled workforce. How will we recruit new workers into these industries that have not been attractive to young people? How will we train supervisors to work with an increasingly diverse workforce? How will we develop the P-16 "pipe-

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> Kentucky Chamber of Commerce

line" to help all young people succeed and excel in school? The demographic trends will require that we educate and fully prepare every young person and working-age adult to compete in the global knowledge economy.

Technology, Innovation, and the Rapid Rate of Change. Technology has allowed the United States to make unprecedented increases in productivity over the past decade. However, this rapid technological change requires workers with not only more sophisticated technology skills but also with the ability to "unlearn" and learn new concepts, innovate, read technical manuals, think critically, pursue lifelong learning opportunities, and demonstrate "adaptive expertise."[6, 7] For example, Toyota is shooting to develop a new model in six months without building a prototype, using virtual design and assembly up to the first trial production run. Innovation and technology skills are needed across all areas of the economy–agriculture, manufacturing, mining, government, education, and services. Additionally, the emerging fields of nanotechnology, biotechnology, and advanced materials will drastically reshape the employment landscape of the future. We do not even know what many of the jobs of the next decade will be. What we do know is they will require educated and technologically savvy workers. That is why, in a July 2005 report, *Tapping America's Potential: The Education for Innovation Initiative,* 15 of our country's most prominent business organizations joined together to "express their deep concern about the United States' ability to sustain its scientific and technological superiority through this decade and beyond." They have called for the country to "double the number of science, technology, engineering, and mathematics graduates by 2015."[8]

Globalization. First we worried about commodity manufacturing jobs being sent offshore to countries with low wage structures. Then we began to see higher skill level jobs (reading x-rays or providing accounting services in India) being outsourced offshore. Any work that can be digitized can be done anywhere in the world. In *The World Is Flat*, Thomas Friedman argues that we entered a new phase of globalization in the year 2000–Globalization 3.0. He suggests that Globalization 2.0 lasted from 1800-2000 and was characterized by *companies globalizing*. The dynamic force in Globalization 3.0 is the newfound power for *individuals to collaborate and compete globally*.[9] This obviously has profound implications for intellectual capital development. In this new environment, a critical strategy for Kentucky and the United States must be to increase our competitiveness constantly by developing a highly skilled and flexible workforce–knowledge workers who can add high value to products and services. And other countries will not stand still–they will be growing knowledge workers as well. As Bill Gates noted at the National Education Summit on High Schools in February 2005: "The percentage of a population with a college degree is important, but so are sheer numbers. In 2001, India graduated almost a million more students from college than the United States did. China graduates twice as many students with bachelor's degrees as the nation, and they have six times as many graduates majoring in engineering. In the international competition to have the biggest and best supply of knowledge workers, America is falling behind."[10]

One aspect of the globalization challenge is spotlighted by Ted Fishman in a July 2004 article in *The New York Times Magazine*, "…China's people must be regarded as the critical mass in a new world order. The productive might of China's vast low-cost manufacturing machine, along with the swelling appetites of its billion-plus consumers, have turned China's people into probably the greatest natural resource on the planet. How the Chinese (and the rest of the world) use that resource will shape our economy (and every other economy in the world) as powerfully as American industrialization and expansion has over the last hundred years."[11]

Skills Gaps and Worker Shortages. In 2003, Jerry Jasinowski, then president of the National Association of Manufacturers, and Dick Gabrys, Vice Chairman of Deloitte and Touche, wrote: "It may seem contradictory, but at a time when manufacturing has lost jobs for 32 consecutive months–more than 2 million positions–we face a looming shortage of skilled manufacturing employees. The stark reality is that this trend presents a real and growing threat to the ability of the United States to compete in the world marketplace."[12] Labor economist Anthony Carnevale and Donna Desrochers of the Educational Testing Service warned in 2003 that the shortages of workers with at least some college education will be a growing problem over the next two decades. "Assuming even moderate employment growth rates of 15 percent and a continuing increase in skill requirements on the job, the combined effects of these trends should result in significant labor shortages of at least 20 million workers [by 2020], especially in jobs that require the most skill and provide the greatest economic value. Two thirds of the expected shortage in 2020 will likely arise in the most skilled jobs, resulting in a net deficit of workers with at least some college of about 14 million workers…. By comparison, what employers experienced in 1999 and 2000 was a minor irritation. The shortage won't just be about having to cut an extra shift. It will be about not being able to fill the first and second shift too." The largest growth will occur in jobs requiring training beyond high school (i.e. certificates, associate degrees, apprenticeship training), but not necessarily a bachelor's degree.[13]

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Layout
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Printed with state funds. Available in alternative formats upon request.

Organizational Dynamics. Within the context of this global, fast-changing environment, businesses of all sizes must constantly improve their productivity and meet the changing needs of their customers. Continuous improvement is the mantra of the day–if your business is not improving, your business is headed toward extinction. Innovation, agility, and speed to market are critical to remain competitive. So what type of workers does this culture require? It requires workers who are flexible, agile, innovative, and constantly learning: team players, problem solvers, and critical thinkers. Employers are increasingly looking to contract or project workers to fill these changing employment needs. Today's organizational dynamics also challenge employers to stay competitive in the areas of compensation and benefits and to meet the varying needs and expectations of four generations and a multicultural workforce. For example, younger workers entering the workforce today tend to be highly impatient with routine and unchallenging work. They expect work that uses their creative, process-oriented, and interactive ways of thinking. This can be a real benefit to companies in the knowledge economy but a real challenge for baby boomer managers.

How does Kentucky measure up?

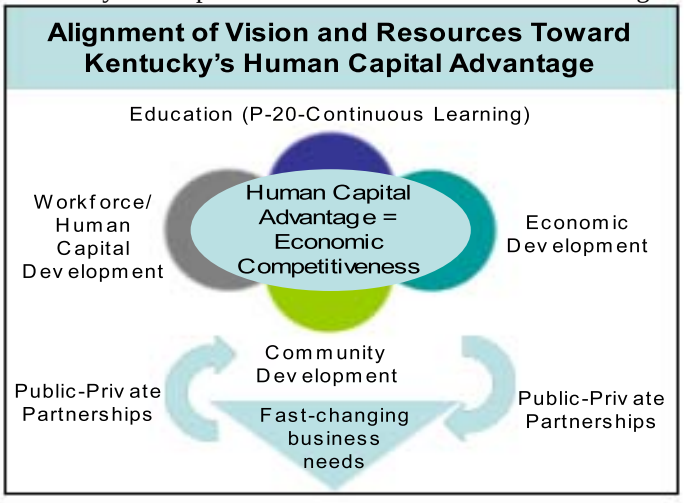
Our state has not measured up well in terms of educational attainment and economic performance. Kentucky has certainly made good strides since K-12 educational reform (Kentucky Education Reform Act) in 1990, postsecondary reform in 1997, and adult education and early childhood reform in 2000. However, good progress is not good enough. As we make gains and better prepare our workforce, other states and nations are doing the same–some at a much faster rate. And Kentucky has much further to go than many states. We must *significantly accelerate our progress and "get to great"* to compete in the knowledge economy. Key indicators appear below:

- **The 2020 Imperative –** "According to an analysis of U.S. Census projections, Kentucky will need nearly 800,000 working-age adults with a bachelor's degree or higher to match the national average in 2020; in 2000 we had only 402,000. Over the next 15 years, we will need to nearly double the number of Kentuckians ages 25-64 with at least a four-year degree."[14]
- **Low literacy levels** – 40 percent of the Kentucky workforce reads and writes at the two lowest literacy levels.[15]
- **Underprepared college students** – For the incoming class of 2002, 39.5 percent were underprepared in math; 33.9 percent in English (for public universities and Kentucky Community and Technical College System [KCTCS]); 54.2 percent were underprepared in at least one subject.[16]
- **A persistent gender gap in college enrollment** – 57 percent of undergraduates enrolled at state-supported, four-year universities are women; 55 percent of KCTCS students are women.[17] Will Kentucky's young men be left behind in the knowledge economy?
- **A low high school and GED completion rate** – In 1990, Kentucky ranked 49th in high school diplomas and GEDs. Kentucky led the nation in the rate of increase of adults with a high school credential and two-year degree between 1990 and 2000, but still ranked only 46th in high school and GED completion rates in 2000.[18]
- **Lagging math and science rankings** – In international standings, U.S. 8th graders ranked 15th in mathematics (up from 19th in 1999) and 9th in science (up from 18th in 1999) on the 2003 Trends in International Mathematics and Science Study (TIMSS). Kentucky ranked 32nd in mathematics in the U.S. in 2003.[19]

To create a competitive human capital advantage in today's knowledge economy, Kentucky must do these seven things:

Create a Sense of Urgency. First and foremost, we must create a sense of urgency about the critical importance of creating a world-class workforce in Kentucky. As businesses strive to remain competitive each day, and government and education work hard to serve customers and reach their goals, it is often very difficult for businesses and organizations to identify the strategic tipping points for our future economic growth, competitiveness, and, ultimately, survival. Based on the environmental factors discussed previously, the author proposes that creating this human capital competitive advantage is one such critical strategic tipping point. For several years, Kentucky has rightly focused on the research and commercialization aspects of growing the knowledge economy. However, we will not be able to create, grow, or attract these businesses if we do not have the intellectual capital to make them competitive. Additionally, what we have traditionally called "old economy" businesses will continue to upgrade their technology and business practices, requiring a skilled workforce to keep them competitive. Thus, creating a sense of urgency and a "call to action" is a crucial first step in developing Kentucky's human capital advantage.

Align Vision and Resources. As in any effective strategic planning process, all the stakeholders in the human capital development arena must establish a common vision before moving to action and tactics. This visioning and planning must be aligned at both the state and regional/local levels. Two models have shown great promise in this area of collaboration–the state and local Workforce Investment Boards and the state and local P-16 Councils. Both entities can play significant roles as conveners and facilitators in this process, and both venues have given rise to promising practices that could serve as useful models. Human capital development work is much too complex and interdependent to be done by only one or two sectors or organizations. It will require true public-private partnerships to get beyond the rhetoric of collaboration and alignment to the very hard work it entails. However, with a common vision or "line of sight" toward economic competitiveness and a commitment to hard work and collaboration for results, Kentucky can (and must) succeed. As shown in the graphic below, education, workforce and economic development, business, and community development each has a critical role in ensuring our



economic competitiveness. These sectors can no longer work in isolation. They must go beyond the "silo mentalities" of the past to a "systems thinking," interdependent approach to human capital development. It is not often recognized that community development plays such an important role in this process. As Richard Florida discusses in *The Rise of the Creative Class*, community development is critical to creating communities that attract and retain creative talent. Common visioning, alignment, and systems thinking are essential to Kentucky's success in building our human capital advantage.

> *Education is economic development. Our P-20 system must be responsive to the rapidly changing needs of business and industry and provide a pipeline of new and re-skilled workers to enable our state and our nation to successfully compete in the New Economy. Through our business, government, and community strategic partnerships, KCTCS is developing new teaching and learning models to reduce the cycle time of learning and meet the rapidly changing technologies and work processes of today's and tomorrow's businesses.*
>
> *Michael B. McCall*
> President, KCTCS

Develop Cluster-Based Economic Development and Career Pathways Strategies. "Place" is becoming less important in terms of economic development, as intellectual talent is grown and accessed worldwide. As previously mentioned, any work that can be digitized can be done anywhere, and commodity manufacturing is increasingly being done in low-wage localities. However, even as this globalization of the workforce accelerates, there will continue to be an important role for jobs and industries that are locally or regionally based. Kentucky must be able to compete for these "place"-oriented jobs, high value-added jobs that require skilled workers and pay good wages.

One way to gain a competitive advantage is to grow and innovate in "industry clusters" that are important niches for the Commonwealth–for example, equine, coal-related products, and natural resource products. Clusters become international magnets for both talent and capital, attracting both physical and virtual talent. The National Governors Association's *A Governor's Guide to Cluster-Based Economic Development* underscores the concept and importance of clusters: "Conceptually, industry clusters have become the *sine qua non* of economic development policy across the United States…. A cluster differs from a sector in its geographic boundaries; the inclusion of resource, supply, and knowledge chains; and the importance of how they are connected…. Concentration, or clustering, provides businesses with access to more suppliers and customized support services, to experienced and skilled labor pools, and to the inevitable transfer of knowledge that occurs where people casually meet to talk business…. Among all of the advantages of clustering, none is as important as access to innovation, knowledge, and know-how."[20]

Kentucky has begun some work in cluster-based economic development, as demonstrated by Governor Fletcher's establishment of the Life Sciences/Biosciences Consortium and the Department of Commercialization and Innovation's identification of five research focus areas for Kentucky: human health and development; biosciences; information technology and communications; environmental and energy technologies; and materials science and advanced manufacturing.[21] Additionally, the KCTCS is leading a multistate automotive manufacturing workforce initiative to meet the training needs of the automotive manufacturing cluster. However, much work remains to be done in Kentucky to develop this approach and connect workforce development strategies to the clusters identified for research and commercialization in a systematic and strategic way.

Closely aligned with the cluster-based approach is the need to develop career pathways for students and workers. The Community College Bridges to Opportunity Initiative defines a career pathway as "a series of articulated educational and training programs and services that enables students, often while they are working, to advance over time to successively higher levels of education and employment in a given industry or occupational sector. Each step on a career pathway is designed explicitly to prepare students to progress to the next level of employment *and* education. Career pathways target jobs in industries of importance to local economies. They are designed to create both avenues of advancement for workers, jobs seekers, and future labor market entrants and a supply of qualified workers for local employers."[22]

> *With the ever-changing culture of the global economy comes an increased necessity for responsiveness from business, education, and government. An open line of communication, first assessing the needs of local communities, and then negotiating methods of producing a qualified workforce to meet those needs, is a hand-in-hand process. Whether addressing the most basic of workforce skills through secondary Area Technology Centers or individualized training through local Offices for Employment and Training, human capital is the most vital component of economic development.*
>
> *Laura E. Owens*
> Commissioner, Education Cabinet
> Dept. for Workforce Investment

The KCTCS Career Pathways initiative, funded through a Bridges to Opportunity grant from the Ford Foundation, has made significant progress in developing 16 regional career pathways throughout the state in collaboration with local businesses and local Workforce Investment Boards. To take career pathways development to the next level, a wider "systems" approach should focus on strategically identified state and regional clusters and include all levels of education and other stakeholders.

Respond with Agility and Speed to Businesses' Needs. The fast-changing global economic environment is putting enormous pressures on businesses to remain competitive through innovation, agility, and increased productivity. These business pressures, in turn, make it essential for education and government to respond in kind to businesses' workforce development needs.

For educational institutions, this flexibility and responsiveness translate into moving from rigid, "seat-time" institutions to fluid

"systems of learning" and evaluation (or communities of learning) that focus on the attainment of competencies. Some of the characteristics of this learning system would include strong public-private partnerships; modularized, open-entry, open-exit courses; nontraditional hours of delivery; alternatives to traditional curriculum silos; accommodation of varying learning styles; agility in the start up and shutdown of programs; expansion of e-learning options; reduction of the cycle time of learning through new technologies and pedagogies; and team project learning for developing higher-level problem-solving skills.

For individual workers, this agility means developing employability skills rather than having employment security—in today's world workers must continuously update their skills so they can be employable in the ever-changing economy. The old paradigm was that employers were largely responsible for upgrading the skills of their employees, who would, in turn, stay with the company for many years. The new paradigm is one of a shared responsibility between employers and employees, with much more of the responsibility falling on the employee to keep his/her skills current through lifelong or continuous learning. This also incorporates the trend toward more contract or project work, making the employee more of a career entrepreneur. Freidman suggests that Globalization 3.0 means that *individuals* are now collaborating and competing globally. This is the ultimate in career entrepreneurship, but only for those with a high level of skills and adaptability.

Build a More Comprehensive, Responsive Workforce Information System. Today's complex decisions in business, education, and government require easy access to good data and meaningful analysis. The field of workforce development is no different. In fact, because of the "multiple partners/stakeholders" nature of the work, it is particularly important to our ability to create a human capital advantage for the Commonwealth. Although Kentucky has made significant progress in the advancement of its labor market information system over the last several years with the development and implementation of *Workforce Kentucky*[23] and the partnership with the U.S. Census Bureau around the *Local Employment Dynamics* project,[24] it is now time to expand this system by moving from a labor market information system to a more comprehensive workforce information and analysis system. Such a system would integrate labor market, economic, and educational output data to provide meaningful workforce information and analysis for businesses, educators, public policymakers, Workforce Investment Boards, and state and local economic development professionals. This system should include such information as emerging industries and the skills needed to support them, anticipated labor shortages by industry and occupation, trends in declining industries, and supply-side data from postsecondary institutions. For maximum effectiveness, this new system should be developed by a multidisciplinary team of both technical and policy experts: economists, demographers, labor market information specialists, workforce and economic development professionals, and educators.

Develop and Promote a "Certified Workforce" Initiative. For several decades, employers have often expressed their disappointment about the quality of the workers who come to them from our educational system. They have no way to evaluate and compare the skills of a graduate from a high school in Paducah to one from Richmond. Although strengthening our P-20 educational system is critical and ongoing, the development and promotion of a "certified workforce" initiative would be a valuable tool for employers and economic development professionals as they evaluate and "sell" Kentucky's workforce. Students/workers could be certified by a variety of valid, reliable assessment tools, including the Kentucky Employability Certificate (KEC),[25] the Kentucky Manufacturing Skills Standards (KMSS),[26] as well as other industry credentials. Both the KEC and the KMSS are powerful Kentucky workforce development tools, but a systemic "certified workforce" initiative would help by branding and promoting the concept. The scores of students/workers with certifications would be kept in a statewide database that could be queried and aggregated for purposes of economic development and job placement. This would provide a real "value-added" advantage for businesses looking to grow and economic developers seeking to promote Kentucky.

Lessons Learned

The Next Generation of Workforce Development Project: A Six-State Policy Academy to Enhance Connections between Workforce and Economic Development Policy

National Governors Association, 2004

1. Aligning workforce and education with economic development requires a clear understanding of the industries in the state and a common understanding of the knowledge and skills required to compete successfully.
2. Building a stronger education pipeline of skilled workers requires seamless connections between the components of the system and with the skill demands of the workplace.
3. Expanding opportunities for continuous learning requires building partnerships with business and education and ensuring that individuals have the literacy skills necessary to advance.
4. Building career pathways requires good information, ongoing assessment and certification of skills, and access to learning opportunities.
5. Strengthening the governance of workforce programs requires meaningful outcome measures that are systemwide and tied to the economic goals of the state and communities.

Source: Department of Labor, Employment & Training Administration[29]

Require Rigorous Standards and Curricula–Emphasize Math, Science, Problem Solving and Thinking Skills for <u>All</u> Students. Based on the projections of significant skill and worker shortages over the next several decades, we must be committed to equipping *all* students with knowledge economy skills. As Bill Gates said at the National Education Summit on High Schools, "The idea behind the old design [of high schools] was that you could train an adequate workforce by sending only a third of your kids to college and that the other kids either couldn't do college work or didn't need to. The idea behind the new design is that all students can do rigorous work, and–for their sake and ours–they have to."

As the nature of teaching and learning and knowledge acquisition is being transformed by fast-paced research and technology, certain skills become ever more critical. It has become increasingly less important to memorize "facts" and more important to learn to think and perform in a team-based environment, solve problems, demonstrate adaptive expertise, think critically, communicate effectively, be flexible and adaptable, and perhaps most importantly, learn how to learn. As Carnevale notes, "Knowing how to learn is perhaps the most basic of all skills because it is the key that unlocks future success."[27] Mathematics, reading, science, and the use of technology are obviously crucial as well in today's economic environment. The standards of our P-20 educational system must

also be continually updated to meet the changing global standards of the economic marketplace. Kentucky's involvement in the American Diploma Project (ADP)[28] is a positive step, because it establishes specific, rigorous content and skills that high school graduates should master in mathematics and English to be prepared for both postsecondary education and the workplace. It is important to note that the standards are the same for both postsecondary and workplace success, and that business was a key partner in the ADP development process.

Kentucky can meet the challenge

The challenge is daunting, but Kentucky can and must meet it. With KERA and other education initiatives, Kentucky has already taken steps to make its citizens more competitive in the global workplace. But as important and as impressive as the steps are, they are not enough. Kentucky had further to go than many states, which are also working hard to improve the quality of their workforces. So Kentucky must build on what it has done by pursuing the steps outlined here. Given the challenges it has overcome thus far, a determined effort to implement these recommendations will go a long way toward securing the place of Kentucky's citizens in the global knowledge workplace.

Notes

[1] David Sampson, remarks, 2001 Workforce Development Policy Forum, National Governors Association (NGA), New Orleans, 7 Dec. 2001.
[2] Interview with the author, July 2005.
[3] Scott Cheney, "Keeping Competitive: Hiring, Training, and Retaining Qualified Employees in 2002," U.S. Chamber of Commerce, 2002 <http://www.uschamber.com/>.
[4] The Manufacturing Institute and Deloitte & Touche, "Keeping America Competitive–How a Talent Shortage Threatens U.S. Manufacturing," National Association of Manufacturers (NAM), April 2003; NAM, Andersen, and the Center for Workforce Success, "The Skills Gap 2001–Manufacturers Confront Persistent Skills Shortages in an Uncertain Economy," 2001 <http://www.nam.org>.
[5] Interview with the author, 18 Aug. 05.
[6] Adaptive expertise goes beyond "routine" expertise in solving specific problems. It is having flexible knowledge that allows students to invent ways to solve familiar problems and innovative skills to identify and solve new problems.
[7] Brophy, Hodge, and Bransford, "Work in Progress–Adaptive Expertise: Beyond Applying Academic Knowledge," Vanderbilt University, 34th ASEE/IEEE Frontiers in Education Conference, Savannah, GA, Oct. 2004.
[8] "Tapping America's Potential: The Education for Innovation Initiative," Business Roundtable, July 2005 <http://www.businessroundtable.org>.
[9] Thomas L. Friedman, *The World Is Flat: A Brief History of the Twenty-First Century* (New York: Farrar, Straus and Giroux, 2005) 10-11.
[10] Bill Gates, remarks, National Education Summit on High Schools, NGA, 26 Feb. 2005 <http://www.gatesfoundation.org>.
[11] Ted C. Fishman, "The Chinese Century," *The New York Times Magazine*, 4 July 2004: 28.
[12] Cheney.
[13] Anthony Carnevale and Donna Desrochers, *Standards for What?: The Economic Roots of K-16 Reform*, Educational Testing Service, 2003 <http://www.ets.org/research/dload/standards_for_what.pdf>.
[14] Kentucky Council on Postsecondary Education (KCPE), *2005-2010 Strategic Plan* <http://www.cpe.ky.gov>.
[15] KCPE, "Adult Literacy in Kentucky," *Spotlight on Postsecondary Education* 1:2 (2000).
[16] KCPE. Determined by the number of students who scored below 18 on the ACT in subject area.
[17] KCPE.
[18] U.S. Census Bureau, 1990, 2000. Data are for adults aged 18-64.
[19] National Center for Education Statistics <http://nces.ed.gov/>.
[20] NGA, *A Governor's Guide to Cluster-Based Economic Development* (Washington, DC: NGA, 2002).
[21] Kentucky Department of Commercialization and Innovation <http://www.one-ky.com>.
[22] "Career Pathways: Characteristics and Principles," Career Pathways Policy Seminar, The Community College Bridges to Opportunity Initiative, Estes Park, July 2005.
[23] Department for Workforce Investment, *Workforce Kentucky* <http://www.workforcekentucky.ky.gov>.
[24] U.S. Census Bureau, *Local Employment Dynamics* <http://lehd.dsd.census.gov/led/led/led.html>.
[25] The Kentucky Employability Certificate is a portable credential that uses WorkKeys® by ACT Inc., as a common language and objective metric to document the level of skills that a person has in three skill areas: reading for information, applied mathematics, and locating information.
[26] The Kentucky Manufacturing Skills Standards are an industry-designed set of standards that are assessed to indicate an individual's preparation and basic skill level for entry into general manufacturing occupations (basic) or high-performance manufacturing occupations (advanced).
[27] Carnevale and Desrochers 41.
[28] Achieve Inc., in partnership with The Education Trust and the Thomas B. Fordham Foundation, launched the American Diploma Project (ADP) in 2001 to restore value in the high school diploma. ADP developed English and mathematics benchmarks that describe the specific content and skills that graduates must master by the time they leave high school if they expect to succeed in postsecondary education or in high-performance, high-growth jobs <http://www.achieve.org>.
[29] U.S. Department of Labor, Employment & Training Administration, full report available at <http://www.doleta.gov/reports/searcheta/occ/papers/FINAL_DOL_Workforce_Academy_Report.pdf>.

Acknowledgements: *The author is grateful to Ed Barlow, Keith Bird, David Condon, Sherry Sebastian, Tom Welch, and Jim White for helpful comments, and Alicia Crouch and Christina Whitfield for assistance with data.*

PRESCRIPTION FOR CHANGE

A Conference Presenting Findings from The Kentucky Health Insurance Research Project

November 15, 2005 Kentucky International Convention Center Louisville, Kentucky
8:30 am to 4:30 pm

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Jointly sponsored by:

Foundation for a Healthy Kentucky

The Dilemma Deferred

Roughly half a million Kentuckians do not have health insurance, and we have made little progress in covering the uninsured. This longstanding dilemma remains unresolved. Yet research consistently shows the uninsured are far more likely to postpone attention to health care needs or forego them altogether. The costs and consequences ripple throughout our society and economy:

- lost health and years of life
- often avoidable health conditions that rob people of productive lives and, in the case of children, can lead to costly developmental and educational deficits
- financial risk, uncertainty, anxiety, and personal bankruptcy
- mounting financial stresses on health care providers and other community institutions, from churches to local governments
- losses of worker productivity, earnings, and quality of life
- diminished capacity of small firms to compete for and retain skilled workers
- hidden costs that are systematically shifted to the insured.

The Kentucky Health Insurance Research Project has sought to define the scope of the problem and propose responses. Funded by the federal Health Resources and Services Administration, which facilitates state-level responses to uninsurance, the project's diverse research team includes researchers from the University of Kentucky (UK) Center for Excellence in Rural Health, the Kentucky Long-Term Policy Research Center, the UK College of Public Health, the UK Survey Research Center, and the University of Louisville.

Prescription for Change presents findings from this multifaceted research project, which includes public forums in the state's Area Development Districts, statewide surveys of the general population and small firms, an analysis of the social cost of uninsurance, and a comprehensive review of the legal, ethical, and practical implications of policy options open to the Commonwealth. Additional conference information is available at www.kltprc.net/conference2005.htm.

On the Agenda

8:30-9:00 Welcoming Remarks

9:00-9:20 The Fletcher Administration's Vision for Covering Kentucky's Uninsured
How Kentucky's first-ever physician governor hopes to leverage more coverage options for Kentucky's uninsured.

9:30-10:20 A Profile of Kentucky's Uninsured
Drawn from household survey data and the voices of Kentucky's uninsured, a portrait of Kentuckians who have no health insurance.

10:25-10:55 How Society Pays and How Much
The indirect ways in which our society pays a substantial price for having an uninsured population and estimates of Kentucky's tab.

11:00-11:55 Alternative State Strategies for Covering the Uninsured
State-level experiences and experiments with covering and caring for the uninsured.

Noon-1:20 Lunch
The Hellard Award Presentation

1:30-3:00 The Annual KET Panel Discussion
Kentucky Tonight host Bill Goodman leads a panel discussion "The Dilemma Deferred: Covering the Uninsured," followed by a short audience Q&A session.

3:00-3:15 Break

3:15-4:00 Weighing Our Options for Covering the Uninsured
A presentation of state-level strategies for covering the uninsured, their likely beneficiaries, and their equity, efficiency, and effectiveness.

4:00-4:30 Your Preferred Prescription for Change
Conference attendees will use audience response system technology by GTCO CalComp Peripherals to vote for the policy options of their choice for covering the uninsured.

GTCO CalComp PERIPHERALS

PRESCRIPTION FOR CHANGE

Findings from the Kentucky Health Insurance Research Project

Kentucky International Convention Center, Louisville
Tuesday, November 15, 2005

Name _____ **Organization** _____

Address _____ **City** _____ **State** _____ **Zip** _____

Phone _____ **Fax** _____ **Email** _____

TO REGISTER: Copy this form as needed and mail or fax it, with or followed by a check or money order made payable to the **Kentucky State Treasurer,** to:

Prescription for Change
PO Box 4817
Frankfort, KY 40604
Fax to 1-800-383-1412 or 1-502-564-1412
Online: http:/www.kltprc.net/conf2005reg.htm

___$50 Registration Fee Received by Nov. 7, 2005
___$60 Registration Fee Received after Nov. 7, 2005
___$10 Student Rate
___Group: 5th person free with 4 paid registrations
(*Please send group registrations together.*)

Limited scholarships are available upon request.

Cancellations received after 11-7-05 will not be refunded.
Substitutions are welcome.
"No Shows" will be charged full fee.

Special Needs---Dietary or Other

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State Employees Interaccount Information

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